

Alachua County Coalition for the  
Homeless and Hungry, Inc.

Doing Business As  
Grace Marketplace

Financial Statements  
and  
Independent Auditors' Report

June 30, 2020

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# Kattell and Company, P.L.

*Certified Public Accountants Serving the Nonprofit Community*

808-B NW 16<sup>th</sup> Avenue Gainesville, Florida 32601 352-395-6565 kattell.com

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Alachua County Coalition for the Homeless and Hungry, Inc.  
Gainesville, Florida

### Report on the Financial Statements

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We have audited the accompanying financial statements of Alachua County Coalition for the Homeless and Hungry, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements.*** Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility.***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion.*** In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information.*** We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Kattell and Company, P.L.***

December 3, 2020

*"Not everything that counts can be counted, and not everything that can be counted counts."*

- Albert Einstein

**Statement of Financial Position**  
**June 30, 2020**  
 (with summarized information for 2019)  
**Alachua County Coalition for the Homeless and Hungry, Inc.**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash	\$ 480,906	\$ 157,647
Grants Receivable	329,555	194,916
Prepaid Expenses	10,673	6,142
Due From ACHA	<u>21,300</u>	<u>25,500</u>
<b>Total Assets</b>	<b><u>\$ 842,434</u></b>	<b><u>\$ 384,205</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts Payable	\$ 75,030	\$ 62,715
Payroll Liabilities	45,338	30,824
Accrued Leave	52,852	37,224
Due to ACHA	<u>5,759</u>	<u>9,960</u>
<b>Total Liabilities</b>	<b>178,979</b>	<b>140,723</b>
Net Assets:		
Without Restrictions	440,685	225,443
With Restrictions	<u>222,770</u>	<u>18,039</u>
<b>Total Net Assets</b>	<b><u>663,455</u></b>	<b><u>243,482</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 842,434</u></b>	<b><u>\$ 384,205</u></b>

See accompanying notes.

**Statement of Activities**  
**For the Year Ended June 30, 2020**  
**(with summarized information for 2019)**  
**Alachua County Coalition for the Homeless and Hungry, Inc.**

	2020			2019
	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>	<u>Total</u>
<b><u>Support and Revenue</u></b>				
Government Grants:				
Federal	\$ 789,235	\$ --	\$ 789,235	\$ 568,664
State	45,000	--	45,000	--
Local	2,009,801	--	2,009,801	1,600,602
Cash Donations	252,625	274,393	527,018	181,542
In-Kind Donations	456,202	--	456,202	555,400
Program Income	16,833	--	16,833	--
Interest Income	312	--	312	488
Other	1,156	--	1,156	11,826
Net Assets Released from Restrictions	69,662	(69,662)	--	--
<b>Total Support and Revenues</b>	<b><u>3,640,826</u></b>	<b><u>204,731</u></b>	<b><u>3,845,557</u></b>	<b><u>2,918,522</u></b>
<b><u>Expenses</u></b>				
Program Service Expense:				
Campus & Shelter Services	2,631,033	--	2,631,033	2,321,751
Permanent Housing Programs	429,717	--	429,717	388,355
Management and General	232,741	--	232,741	258,586
Fundraising	132,093	--	132,093	99,925
<b>Total Expenses</b>	<b><u>3,425,584</u></b>	<b><u>--</u></b>	<b><u>3,425,584</u></b>	<b><u>3,068,617</u></b>
<b>Excess (Deficit) of Support and Revenue over Expenses</b>	<b>215,242</b>	<b>204,731</b>	<b>419,973</b>	<b>(150,095)</b>
Adjustment of Contingent Liability	--	--	--	54,111
<b>Change in Net Assets</b>	<b>215,242</b>	<b>204,731</b>	<b>419,973</b>	<b>(95,984)</b>
<b>Net Assets, Beginning</b>	<b><u>225,443</u></b>	<b><u>18,039</u></b>	<b><u>243,482</u></b>	<b><u>339,466</u></b>
<b>Net Assets, Ending</b>	<b><u>\$ 440,685</u></b>	<b><u>\$ 222,770</u></b>	<b><u>\$ 663,455</u></b>	<b><u>\$ 243,482</u></b>

See accompanying notes.

**Statement of Cash Flows**  
**For the Year Ended June 30, 2020**  
**(with summarized information for 2019)**  
**Alachua County Coalition for the Homeless and Hungry, Inc.**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 419,973	\$ (95,984)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Changes in:		
Receivables	(130,439)	(20,578)
Prepaid Expenses	(4,531)	18,315
Payables	<u>38,256</u>	<u>(89,910)</u>
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>323,259</b>	<b>(188,157)</b>
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>--</b>	<b>--</b>
<b>Net Cash Provided by (Used In) Financing Activities</b>	<b><u>--</u></b>	<b><u>--</u></b>
<b>Net Increase/(Decrease) in Cash</b>	<b>323,259</b>	<b>(188,157)</b>
<b>Cash, Beginning of Year</b>	<b><u>157,647</u></b>	<b><u>345,804</u></b>
<b>Cash, End of Year</b>	<b><u>\$ 480,906</u></b>	<b><u>\$ 157,647</u></b>

See accompanying notes.

**Statement of Functional Expenses**  
**For the Year Ended June 30, 2020**  
**(with summarized information for 2019)**  
**Alachua County Coalition for the Homeless and Hungry, Inc.**

	2020					2019
	Programs		Management and General	Fundraising	Totals	Totals
	Campus & Shelter Services	Permanent Housing Programs				
Labor, Wages and Related Assistance to Individuals:	\$ 1,386,657	\$ 159,048	\$ 105,867	\$ 97,256	\$ 1,748,828	\$ 1,381,979
Rental Assistance	--	222,260	--	--	222,260	207,576
Supplies	140,429	--	--	--	140,429	92,398
Food	64,477	34	--	--	64,511	78,291
Utility Deposits	2,301	28,473	--	--	30,774	40,181
Transportation	31,351	2,517	--	--	33,868	32,721
Culinary Job Training	15,505	--	--	--	15,505	18,633
In-kind Donations:						
Food and Meals	338,338	--	--	--	338,338	445,245
Supplies	61,726	--	--	--	61,726	39,555
Grants to Other Organizations	--	574	--	--	574	17,998
Facility Improvements	226,353	--	--	--	226,353	125,111
Maintenance	104,291	744	--	--	105,035	87,743
Insurance	14,339	1,604	1,068	981	17,992	20,722
Office Expense	55,183	3,436	2,624	20,640	81,883	54,578
Professional Fees:						
Accounting and Auditing	--	--	42,290	--	42,290	48,150
Legal	--	--	15,000	--	15,000	27,500
Legal - In-kind	--	--	56,137	--	56,137	70,600
Other	789	850	1,733	3,649	7,021	24,122
Travel	7,927	4,672	--	422	13,021	9,183
Utilities	167,683	3,209	8,022	1,604	180,518	203,204
Other	13,684	2,296	--	7,541	23,521	43,127
<b>Total</b>	<b>\$ 2,631,033</b>	<b>\$ 429,717</b>	<b>\$ 232,741</b>	<b>\$ 132,093</b>	<b>\$ 3,425,584</b>	<b>\$ 3,068,617</b>

See accompanying notes.

# Notes to Financial Statements

June 30, 2020

## Alachua County Coalition for the Homeless and Hungry, Inc.

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Alachua County Coalition for the Homeless and Hungry, Inc. (the Organization) is a not-for-profit corporation organized in April, 2002, under the Florida Not-For-Profit Corporation Act. The Organization does business as Grace Marketplace. The mission of the Organization is to end homelessness, and works toward that goal by providing safe shelter, effective services, and permanent housing solutions for people without any of the typical barriers that keep people from getting help.

In 2014, the Organization opened Grace Marketplace, a one-stop homeless assistance center. Grace Marketplace provides emergency shelter, meals, storage, clothing closet, computer lab, intake, assessment, case management, skill building and mail acceptance.

#### Tax-Exempt Status

The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business taxable income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Organization qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America, as applicable for not-for-profit corporations. (U.S. GAAP)

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

#### Receivables

Grants receivable consist of recognized grant revenues that have not been received at year end. Amounts are deemed fully collectable and no allowance for doubtful accounts has been recorded.

#### Property and Equipment

The Organization capitalizes all purchases of furniture, equipment, and other capital assets with a purchase price of \$10,000 or greater and a useful life in excess of one year. The Organization had no capitalized property at June 30, 2020.

#### Net Assets

The Organization's net assets, the excess of assets over liabilities, are reported in two classes that are based upon the existence or absence of restrictions imposed by donors:

***With Donor Restrictions.*** Net assets with donor restrictions are restricted by a donor to be used for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions. The Corporation's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Without Donor Restrictions.*** Net assets without donor restrictions are available to support operations. These net assets are constrained only by the broad limits resulting for the nature of the organization.

#### Advertising Costs

Advertising costs are expensed when incurred.

# Notes to Financial Statements

June 30, 2020

## Alachua County Coalition for the Homeless and Hungry, Inc.

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

#### Revenue Recognition - Contributions

**Contributions.** Contributions received are recognized as revenue when they are received or unconditionally pledged and are recorded at their estimated fair values.

**Contributed Services.** Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. In addition to amounts recorded, the Organization receives donated services which are not recorded because the above criteria have not been met. See Note 8 for more information.

**Government Grants.** Government grants consisted of per diem and cost reimbursement contracts. Revenues for per diem contracts are recognized in accordance with allowable billings. Revenues for cost reimbursement contracts are recognized when the Organization incurs allowable costs.

**Bequests** – The Organization is a beneficiary under a donor's will. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid and the organization has an irrevocable right to the bequest.

#### Functional Expenses

Direct expenses are assigned to the various functional categories based on the purpose achieved by each expense. Indirect expenses are allocated to more than one functional category in accordance with an estimate of the relative benefit received by the expenses. Indirect expenses consist mainly of certain personnel and occupancy costs. Expenses are classified in the following functional categories:

##### **Program Services:**

*Campus & Shelter Program* – GRACE - Housing-focused programs to operate the low-barrier emergency shelter and one-stop assistance center located in Gainesville, Florida.

*Permanent Housing Programs* – Permanent housing placement through Rapid Re-housing and Permanent Supportive Housing Programs.

**Management and General** – Those activities that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and human resource management services.

**Fundraising** – Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting fundraising events, and any other activities that solicit contributions from corporations, foundations, individuals and others.

Expenses that can be identified with a specific function are charged directly to that function, whereas costs common to multiple functions have been allocated. Labor, wages and related costs are allocated based on employee estimates of the percentage of time spent in each function. Insurance and some office costs are allocated based on salary allocations. Utilities are allocated based on usage by square footage of the facility.



## Notes to Financial Statements

June 30, 2020

### Alachua County Coalition for the Homeless and Hungry, Inc.

#### NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization’s financial assets available within one year of the date of the statement of financial position for general expenditure are as follows at June 30:

	<u>2020</u>	<u>2019</u>
<b>Financial Assets:</b>		
Cash	\$ 480,906	\$ 157,647
Grants Receivable	329,555	194,916
Due from ACHA (Note 4)	4,200	4,200
<b>Available Financial Assets</b>	<b>\$ 814,661</b>	<b>\$ 356,763</b>

The Organization has structured its financial assets to be available as its general expenditures and liabilities come due. The Organization generally does not hold excess financial assets for extended periods of time and, therefore, has not established a policy for investment of excess cash. The Organization does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them.

#### NOTE 3 – CASH

Cash consists of deposits in financial institutions. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per institution. At June 30, 2020 and 2019, the Organization held \$212,120 and \$0 in excess of this limit, respectively.

#### NOTE 4 – TRANSACTIONS WITH THE ALACHUA COUNTY HOUSING AUTHORITY

In a prior year, the Organization passed grant funds through to the Alachua County Housing Authority (the Authority) for reimbursement of grant expenditures. The amount due from ACHA represents funds which were not expended by the Authority. The following is a list of payments expected:

	<u>2020</u>	<u>2019</u>
<b>For the Year Ending June 30:</b>		
2020	\$ --	\$ 4,200
2021	4,200	4,200
2022	4,200	4,200
2023	4,200	4,200
2024	4,200	4,200
2025	4,200	4,200
2026	300	300
<b>Total Due From ACHA</b>	<b>\$ 21,300</b>	<b>\$ 25,500</b>

In prior years, the Authority paid the employees of the Organization and the Organization was to reimburse the Authority. Due to ACHA represents the liability for these payroll expenses not yet reimbursed to the Authority. The following is a summary of payments due:

	<u>2020</u>	<u>2019</u>
<b>For the Year Ending June 30:</b>		
2020	\$ --	\$ 4,201
2021	4,200	4,200
2022	1,559	1,559
<b>Total Due to ACHA</b>	<b>\$ 5,759</b>	<b>\$ 9,960</b>

## Notes to Financial Statements

June 30, 2020

### Alachua County Coalition for the Homeless and Hungry, Inc.

**NOTE 5 – NET ASSETS WITH RESTRICTIONS**

Net assets with restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Contributions to be received in the subsequent year	\$ 76,794	\$ --
Unexpended purpose restricted contributions:		
Building Improvements	27,207	12,039
Diversion Program	5,682	6,000
Culinary Training	27,762	--
Animal Care	77,200	--
Housing Assistance	8,125	--
<b>Totals</b>	<b>\$ 222,770</b>	<b>\$ 18,039</b>

**NOTE 6 – CONCENTRATION OF REVENUE SOURCES**

The Organization received \$2,009,801 and \$1,462,639 from the City of Gainesville for the years ending June 30, 2020 and 2019, respectively. The contract must be renegotiated at the end of each contract term. The current contract expires on December 31, 2024.

**NOTE 7 – IN-KIND DONATIONS**

The Organization receives donations of meals, food, supplies and professional services. The donation of meals is calculated at \$2.67 per meal served. The value of food received from Bread of Mighty Food Bank is calculated using price averages from the Bureau of Labor Statistics. Donated legal services are valued at the same rate paid to the attorney for services not donated.

**NOTE 8 – DONATED SERVICES**

The Organization depends on volunteers to cook meals and provide other assistance in the daily operations of Grace Marketplace. The value of these services is not recorded in these financial statements because the services do not meet the requirements for recording as established by GAAP. The number of hours and value per hour is shown below:

For the year ending June 30,	Hours	Hourly Rate	\$ Amount
2020	22,108	\$24.93	\$551,152
2019	25,643	\$24.04	\$616,458
2018	20,287	\$23.33	\$473,296

This hourly rate is the estimated value per hour of volunteer time for Florida as estimated by Independent Sector. See [http://www.independentsector.org/volunteer\\_time](http://www.independentsector.org/volunteer_time) for more information on the estimated value per hour.

**NOTE 9 – FACILITIES**

The Organization's administrative office is located in the City of Gainesville's Empowerment Center (The Center). The Organization is providing services for the City at the Center under the Grace program; therefore, no in-kind rent donation has been recorded.

The Organization, using local government grant funds and contributions, makes improvements to the Center to make it habitable for use as a one-stop homeless center under the Grace program. Related costs are reported as Facility Improvements in the statement of functional expenses.

## **Notes to Financial Statements**

**June 30, 2020**

### **Alachua County Coalition for the Homeless and Hungry, Inc.**

#### **NOTE 10 – CONTINGENCIES**

The Organization received a Paycheck Protection Program loan from the United States Small Business Administration. The loan is forgivable to the extent that the Organization expends the proceeds on allowable expenditures. The Organization has expended the proceeds of the loan on allowable expenditures and has recorded the loan as federal grant revenues. This treatment is consistent with the treatment of conditional contributions once the conditions have been met. The forgiveness of the loan is subject to final approval from the Small Business Administration.

In addition, the Organization is subject to occasional lawsuits and claims arising in the normal course of business. In the opinion of management, the ultimate disposition of these matters, if any, will not have a significant impact on the financial position of the Organization.

#### **NOTE 11 – SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions for potential recognition or disclosure through December 3, 2020, the date the financial statements were available to be issued.